

April 27, 2004

Mr. Bruce Duke, Executive Director
South Carolina Public Service Commission
Saluda Building
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Docket No. 2004-0049-C
Petition of Verizon South Inc. for Arbitration of an Amendment to Interconnection
Agreements with Competitive Local Exchange Carriers and Commercial Mobile Radio
Service Providers in South Carolina Pursuant to Section 252 of the Communications Act
of 1934, as Amended, and the *Triennial Review Order*

Dear Mr. Duke:

Pursuant to the proposed procedural schedule Verizon South Inc. ("Verizon") submitted on April 14, 2004, Verizon submits this List of Disputed Issues to be resolved in this arbitration to amend Verizon's interconnection agreements in light of the FCC's *Triennial Review Order*.¹ Each issue refers to the related section(s) of Verizon's draft TRO Amendment. With the limited exception of pricing issues, all of the issues Verizon has identified are legal issues (or mixed issues of law and policy) that can be resolved on the briefs, without need for an evidentiary hearing. If, however, CLECs raise issues requiring fact-finding, Verizon expects that prefiled written testimony and a hearing would be required on those issues. With respect to the pricing issues, Verizon proposes to submit its supporting cost study in a subsequent phase of this proceeding, on a schedule to be set at a later point.

Legal Issues

1. Should the TRO Amendment ("Amendment") recognize the respects in which the D.C. Circuit's decision in *United States Telecom Ass'n v. FCC*, 359 F.3d 554 (D.C. Cir. 2004) ("*USTA II*") affirmed currently applicable substantive rulings in the *TRO*? (Introduction, "Whereas" Clauses.)

2. Should the Amendment accommodate potential stay or reversal of rulings in the *TRO* or *USTA II*? (Introduction, § 6.)

¹ Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, 18 FCC Rcd 16978 (2003) ("*Triennial Review Order*" or "*TRO*").

3. May this proceeding be expanded to address terms and conditions that do not arise from the unbundled network element regulations promulgated in the *Triennial Review Order* pursuant to 47 U.S.C. §§ 251 and 252? (Numerous sections of the Amendment state that Verizon is required to provide unbundled network elements (“UNEs”) only to the extent required by 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51.)

4. How should the Amendment recognize potential changes in Verizon’s legal obligations to provide unbundled network access? (General Terms and Conditions, § 1.3; §§ 2.16, 3.1.1.3, 3.4.2, 3.5.3.2.)

5. How should the Amendment address unbundled access to DS1 loops? (§§ 2.6, 3.1.1.1.)

6. How should the Amendment address unbundled access to DS3 loops, including the FCC’s location-specific cap on access to DS3-level facilities? (§§ 2.7, 3.1.1.2.)

7. How should the Amendment reflect the FCC’s determination that Verizon has no obligation to provide unbundled access to newly built Fiber-to-the-Home (“FTTH”) loops? (§§ 2.10, 3.1.2.1.)

8. How should the Amendment reflect the *Triennial Review Order*’s limitations on unbundled access to overbuilt Fiber-to-the-Home loops (that is, FTTH loops that replace or are built parallel to existing copper loops)? (§§ 2.10, 3.1.2.2.)

9. How should the Amendment reflect the *Triennial Review Order*’s limitations on unbundled access to hybrid (*i.e.*, copper/fiber) loops for purposes of providing broadband services? (§§ 2.12, 3.1.3.1, 3.1.3.2.)

10. How should the Amendment reflect the *Triennial Review Order*’s limitations on unbundled access to hybrid loops for purposes of providing narrowband services? (§ 2.12, 3.1.3.3.)

11. How should the Amendment reflect the FCC’s determination that Verizon has no obligation to provide unbundled access to the feeder portion of a loop on a stand-alone basis as an unbundled network element? (§§ 2.16(g); 3.1.3.4.)

12. How should the Amendment reflect Verizon’s obligation, under the *Triennial Review Order*, to satisfy CLEC requests to provide narrowband services through unbundled access to hybrid loops served via Integrated Digital Loop Carrier (“IDLC”)? (§ 3.1.4.)

13. Should Verizon be subject to standard provisioning intervals or performance measurements and potential remedy payments, if any, in the underlying Agreement or elsewhere, in connection with its provision of unbundled loops in response to CLEC requests for access to IDLC-served hybrid loops? (§ 3.1.4.3.)

14. How should the Amendment reflect the FCC's determination that Verizon has no obligation to provide access to line sharing as an unbundled network element? (§§ 3.2.1.1, 3.2.1.2.)

15. How should the Amendment implement Verizon's obligation, under the *Triennial Review Order*, to provide unbundled access to subloops? (§ 3.3.)

16. How should the Amendment address unbundling of local circuit switching, including mass market and enterprise switching? (§§ 2.8, 2.14, 2.15, 3.4.)

17. How should the Amendment reflect the *Triennial Review Order*'s limitations on unbundled access to signaling and call-related databases? (§§ 2.1, 2.20, 3.4.3.)

18. How should the Amendment address unbundled access to dedicated transport, including the *Triennial Review Order*'s route-specific cap on access to DS3-level transport facilities? (§§ 2.3, 2.4, 2.5, 3.5.1, 3.5.2.)

19. How should the Amendment address unbundled access to dark fiber transport? (§§ 2.2, 3.5.3.)

20. How should the Amendment reflect the *Triennial Review Order*'s requirements relating to Verizon's obligation to allow commingling of UNEs or combinations of UNEs with wholesale services? (§ 3.6.1.)

21. Should Verizon's provision of commingled arrangements or conversions of access circuits to UNEs be subject to standard provisioning intervals or to performance measurements and potential remedy payments, if any, in the underlying Agreement or elsewhere? (§ 3.6.1, 3.6.2.6.)

22. How should the Amendment implement the *Triennial Review Order*'s service eligibility criteria for combinations and commingled facilities and services? (§ 3.6.2.)

23. How should the Amendment reflect Verizon's obligation, under the *Triennial Review Order*, to perform routine network modifications necessary to permit access to already constructed loops, dedicated transport, or dark fiber transport facilities, where Verizon is required to provide unbundled access to those facilities under 47 U.S.C. § 251(c)(3) and 47 C.F.R. Part 51? (§ 3.7.1.)

24. Should Verizon be subject to standard provisioning intervals or performance measurements and potential remedy payments, if any, in the underlying Agreement or elsewhere, in connection with its provision of unbundled loops or transport (including dark fiber transport) for which routine network modifications are necessary? (§ 3.7.2)

25. What transitional procedures should apply in the event that Verizon no longer has a legal obligation to provide unbundled mass market switching? (§ 3.8.1.1.)

26. What transitional procedures should apply when Verizon discontinues provision of unbundled enterprise switching? (§ 3.8.1.2.)

27. What transitional procedures should apply in the event that Verizon no longer has a legal obligation to provide an unbundled network element, other than circuit switching? (§ 3.8.2.)

28. Should the rates specified in Verizon's Pricing Attachment to the *TRO* Amendment apply on an interim basis until the Commission adopts final rates for the designated items?

Pricing Issues

1. Should the Commission approve Verizon's proposed new charges for routine network modifications (that is, those that the Commission has not previously approved or allowed to take effect? (§ 3.7.1 and Pricing Attachment.)

2. Should the Commission approve Verizon's proposed charge for implementing and managing commingled arrangements? (§ 3.6.1 and Pricing Attachment.)

3. Should the Commission approve Verizon's proposed charges relating to conversions of access circuits to UNEs? (§ 3.6.2.3, 3.6.2.5 and Pricing Attachment.)

4. Should the Commission approve pricing of access to splice point sub-loop unbundling on a time and materials basis? (Pricing Attachment.)

5. Should the Commission approve Verizon's proposed pricing for access to unbundled, overbuilt FTTH loops for purposes of providing narrowband services? (Pricing Attachment.)

6. What charges should apply for Verizon's services and activities in connection with satisfying a CLEC's request for unbundled access to a hybrid loop served via IDLC? (§§ 3.1.4.1, 3.1.4.2.)

Please contact me should you have any questions.

Sincerely,

Stan Bugner
State Director

C: Parties of Record